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CMCC Doc. No. 151X5.756

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SAPC 20205

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4 October 1957

Dear Dan:

Based on the present quantity and delivery schedule planning, a proposal is enclosed covering the production of seven (7) System Four's with associated test equipment and manuals.

Our informal estimate for the production cost of a System 4 throughout the program has been about [redacted] although it was agreed to fund the system in the contract at the more conservative figure of [redacted]

Even though there has been no significant increase in the cost of making an individual system on a properly planned basis, the delay in the flight test program and final release of the system for manufacture and resulting starts and stops in the production program have resulted in an increase in cost. Some costs were incurred in the procurement and fabrication of parts for the original quantity of eight and these have been pro-rated over the remaining units. We believe the cost figure in this proposal is also adequate to cover the added costs associated with the "crash" delivery of the first two units. The estimated cost per system is now [redacted]; for the seven systems involved this amounts to a total cost figure of [redacted]

We are also including our firm proposal for the production of three test sets. The estimated cost per set is [redacted] for three sets.

The cost of delivering instruction manuals for both the system and the test sets is also included. This is principally the cost of reproduction since the cost of manual preparation was included in the R and D phase. We propose 25 copies of the system manual and 12 copies of the test set manual. It is an easy matter to change these quantities to whatever you may desire and it would not greatly alter the reproduction cost. Please advise us in the near future if you prefer different quantities of these manuals.

The total cost of the System 4 production program set forth in this proposal is [redacted] the fixed fee on this amount computed at [redacted] and the total estimated cost including fee is [redacted]. Through Amendment 13 to the contract, [redacted] of cost is funded at preliminary estimate figures covering this work.

This document contains information affecting the national defense of the United States within the meaning of the Espionage Laws, Title 18 U.S.C., Section 793 and 794. Its transmission or the revelation of its contents in any manner to an unauthorized person is prohibited by law.

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10/10 copies to

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The delivery schedule set forth in this proposal is based on no over-time work or "crash" schedules from this point forward. We believe it will take about 45 days between delivery of systems to complete final assembly and laboratory checkout. The dates given represent delivery for operational test. It may be that you will want us to conduct the flight tests of each system at Edwards or Del Rio but the costs of doing so are not included in the present proposal nor is time allowed for such testing. It would be possible to accelerate this schedule somewhat if necessary, but probably at some additional cost.

We are enclosing an extra copy of this proposal in the event you may want to forward a copy to Sid.

Sincerely,



Dean

Enclosures:

Copies 1-4 of 6 of the  
following CMCC Doc. Nos.

1131X5.117

1134X5.52

1132X5.158

cc: H. A. W. - AGO  
Copy 5 of the above  
listed documents

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